An Overview of DeKalb County's 2008 Annual Trending
September 23, 2008

The following steps were taken to conduct the 2008 annual trending in DeKalb County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in DeKalb County were completely re-examined and, where necessary, re-delineated for annual trending in 2006, 2007 and again in 2008. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

Step 2: Calculation of New Land Values

New land values were calculated, where warranted, for 2006, 2007 and in only limited circumstances did sales warrant new land values for 2008. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2005 and January 1, 2007. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of DeKalb County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors, grade and condition studies, and effective age studies, with a primary emphasis on non-sold properties.

With regard to rental homes, the county is assembling a detailed income and expense data base that has allowed for the calculation of market rents, expenses, capitalization rates, and gross rent multipliers. This database is the primary method of valuing all rental homes, and in some cases larger apartment complexes.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2006 to 2007. The Nexus Group Construction Cost Index (NCCI^{sm}) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. golf courses, landfills, mobile home parks, etc.) often resulting in sizeable percentage changes. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.

Neighborhood delineations were reviewed and, in some cases, changed accordingly. Neighborhood numbers 264048, 264052, 264053, 314032, 974004, 974005, 964009, and 964010 were re-delineated to include properties with similar location, utility, and physical characteristics.

In addition to updating the cost tables and neighborhood redelineation, sales, income, and appraisal data was used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county, this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.